

AMENDED IN SENATE APRIL 10, 2014
AMENDED IN SENATE MARCH 25, 2014

SENATE BILL

No. 1178

Introduced by Senator Correa

February 20, 2014

An act to add Section 4688.7 to the Welfare and Institutions Code, relating to developmental disabilities, and making an appropriation therefor. *disabilities.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1178, as amended, Correa. Developmental disabilities: housing. Under existing law, the State Department of Developmental Services contracts with private nonprofit regional centers to provide services and supports to persons with developmental disabilities. Existing law authorizes the department to receive and approve proposals from regional centers to provide, secure, or ensure the full payment of a lease on housing, excluding adult residential facilities for persons with special health care needs.

Existing law establishes the Multifamily Housing Program, under the administration of the Department of Housing and Community Development, to provide financial assistance in the form of a deferred payment loan to fund projects for, among other things, the development and construction of new transitional or rental housing developments.

Existing law establishes the Predevelopment Loan Program, under the administration of the Department of Housing and Community Development, to make predevelopment loans and land purchase loans to eligible sponsors for use in developing assisted housing for occupancy primarily by persons of low income.

This bill would establish the California Developmental Disabilities Community Support Housing Fund, to be administered by the department, and would continuously appropriate all moneys in that fund to the department, thereby making an appropriation. *department and to consist of, among other things, moneys saved from transitioning individuals with developmental disabilities from an institution to housing in the community.* The bill would require the department to ~~distribute moneys in the fund to the Department of Housing and Community Development and to regional centers, to be used for specified purposes, including to create community-based housing options for individuals with developmental disabilities and to establish housing opportunities for individuals with developmental disabilities who are at risk of housing displacement.~~ The bill would require the department to develop guidelines to assist the Department of Housing and Community Development and regional centers in use of moneys received from the fund. *expend moneys in the fund, upon appropriation by the Legislature, to develop housing through the Multifamily Housing Program and the Predevelopment Loan Program for individuals with developmental disabilities.*

Vote: $\frac{2}{3}$ -majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares that the*
- 2 *purpose of this act is to develop and provide community-based*
- 3 *housing for individuals with developmental disabilities by*
- 4 *accomplishing the following:*
- 5 *(a) Creating community-based housing options, including shared*
- 6 *housing, for individuals with developmental disabilities.*
- 7 *(b) Expanding and leveraging existing resources for affordable*
- 8 *housing and integrated community placement of individuals with*
- 9 *developmental disabilities.*
- 10 *(c) Establishing housing opportunities for individuals with*
- 11 *developmental disabilities who are at risk of housing displacement.*
- 12 ~~SECTION 1.~~
- 13 SEC. 2. Section 4688.7 is added to the Welfare and Institutions
- 14 Code, to read:
- 15 4688.7. (a) For the purposes of this section, the following
- 16 terms have the following meanings:

(1) “Bridge funding” means temporary rental assistance used to help individuals with developmental disabilities afford integrated housing in the community while waiting for permanent assistance, including, but not limited to, assistance from the Housing Choice Voucher program or wages earned by the individual through competitive employment that allows him or her to pay unsubsidized rent.

(2) “Community residence” means a group home, supervised apartment, or other type of individual or shared living environment that provides housing and treatment or specialized services needed to assist individuals with developmental disabilities live in a community setting.

(1) “Community support services” means the services and supports identified in subdivision (b) of Section 4512.

(3)

(2) “Department” means the Department of Developmental Services: *Housing and Community Development*.

(4)

(3) “Fund” means the California Developmental Disabilities Community Support Housing Fund.

(5) “Permanent supportive housing” means a range of permanent housing options, including, but not limited to, apartments, condominiums, townhouses, single- and multi-family homes, single-room occupancy housing, shared living, and supportive living arrangements that provide access to on- or off-site supportive services for individuals with developmental disabilities.

(6) “Project sponsor” means an individual, partnership, corporation, limited liability company, association, or governmental entity to which the Department of Housing and Community Development has made, or proposes to make, a loan or a grant to finance a special needs housing project.

(7) “Special needs housing project” means a housing development, or portion of a housing development, that is used as permanent supportive housing or a community residence.

(8) “Transition funding” means the payment of limited, nonrecurring costs that may be incurred as part of a rental agreement, including, but not limited to, rental deposits, storage or transportation costs, and utility fees.

(4) “Institution” means a developmental center, a mental health facility, including, but not limited to, a facility that provides acute

1 *inpatient psychiatric care and an institution for mental disease,*
2 *and a skilled nursing facility.*

3 (b) The California Developmental Disabilities Community
4 Support Housing Fund is hereby established within the State
5 Treasury. ~~Notwithstanding Section 13340 of the Government Code,~~
6 ~~the fund is hereby continuously appropriated to the department for~~
7 ~~the purposes set forth in this section.~~

8 (c) The fund shall consist of all of the following:

9 (1) (A) Moneys saved from transitioning individuals with
10 developmental disabilities from an institution to housing in the
11 community and from preventing the institutionalization of
12 individuals with developmental disabilities.

13 (B) *The Department of Finance, or another state entity*
14 *designated by the Department of Finance, shall annually determine*
15 *the amount of the moneys identified in subparagraph (A) by*
16 *calculating the sum of the following:*

17 (i) *The average annual cost of providing services to a consumer*
18 *who resides in a developmental center, less the average annual*
19 *cost of providing community support services to a consumer who*
20 *is placed in the community, multiplied by the number of consumers*
21 *who have transitioned from an institution to housing in the*
22 *community in the preceding fiscal year.*

23 (ii) (I) *The average annual cost of providing services to a*
24 *consumer who resides in an institution, less the average annual*
25 *cost of providing community support services to a consumer who*
26 *is placed in the community, multiplied by the number of consumers*
27 *who are deflected from admission to an institution.*

28 (II) *For the purposes of this clause, a consumer is deflected*
29 *from admission to an institution if his or her individual program*
30 *plan establishes that he or she has complex service needs and*
31 *requires additional community support services to remain housed*
32 *in the community and avoid admission to an institution or*
33 *placement with an out-of-state service.*

34 (iii) (I) *The average annual cost of providing services to a*
35 *consumer who resides in an institution, less the average annual*
36 *cost of providing community support services to a consumer who*
37 *is placed in the community, multiplied by the number of consumers*
38 *who are at risk of housing displacement.*

39 (II) *For the purposes of this clause, a consumer is at risk of*
40 *housing displacement if his or her individual program plan*

1 identifies that he or she is at risk of housing displacement and may
2 include, but is not limited to, a consumer who resides in jail, who
3 is placed in an inappropriate level of care, who resides in
4 substandard housing, or who can no longer afford the cost of his
5 or her current housing.

6 (C) The Department of Finance, or the other state agency
7 designated by the Department of Finance, shall work with the
8 Department of Social Services, regional centers, and other entities,
9 as appropriate, to obtain the data necessary to make the
10 determination identified in subparagraph (B).

11 (2) Moneys earned from ~~the lease~~ leases of developmental center
12 ~~facilities~~; facilities entered into after the effective date of this
13 section.

14 (3) Notwithstanding Section 16305.7 of the Government Code,
15 interest and dividends on moneys deposited in the fund pursuant
16 to this section.

17 (4) Any other moneys transferred to the fund.

18 (d) The fund shall be administered by the department.

19 ~~(e) The department shall distribute moneys in the fund, in its~~
20 ~~discretion, to the Department of Housing and Community~~
21 ~~Development and to regional centers to be expended for the~~
22 ~~following purposes:~~

23 ~~(1) To fund capital costs for community residences, special~~
24 ~~needs housing projects, permanent supportive housing, and other~~
25 ~~types of licensed and unlicensed housing models, including, but~~
26 ~~not limited to, shared housing, in order to provide appropriate and~~
27 ~~affordable housing opportunities for individuals with~~
28 ~~developmental disabilities.~~

29 ~~(2) To create community-based housing options for individuals~~
30 ~~with developmental disabilities.~~

31 ~~(3) To expand and leverage existing resources for affordable~~
32 ~~housing and integrated community placement of individuals with~~
33 ~~developmental disabilities.~~

34 ~~(4) To establish housing opportunities for individuals with~~
35 ~~developmental disabilities who are at risk of housing displacement.~~

36 ~~(f) (1) The department shall develop guidelines to assist the~~
37 ~~Department of Housing and Community Development do the~~
38 ~~following:~~

39 ~~(A) Establish community residences, special needs housing~~
40 ~~projects, permanent supportive housing, and other types of housing~~

1 ~~models for individuals with developmental disabilities through~~
2 ~~new construction and rehabilitation and preservation of existing~~
3 ~~permanent and transitional housing.~~

4 ~~(B) Loan or grant moneys for expenses reasonably incurred by~~
5 ~~a project sponsor in connection with the acquisition, construction,~~
6 ~~improvement, or rehabilitation of property that is or will be used~~
7 ~~for a special needs housing project, including, but not limited to,~~
8 ~~the costs and expenses of engineering, inspection, planning, legal,~~
9 ~~financial, or other professional services; the funding of appropriate~~
10 ~~reserves to address the anticipated future capital needs of a special~~
11 ~~needs housing project; and the administrative, organizational, or~~
12 ~~other expenses incidental to the finance, completion, and placement~~
13 ~~into service of any special needs housing project.~~

14 ~~(2) The department shall develop guidelines to assist regional~~
15 ~~centers in providing rental subsidies to individuals with~~
16 ~~developmental disabilities, including, but not limited to, bridge~~
17 ~~funding and transition funding.~~

18 ~~(e) The department shall expend moneys in the fund, upon~~
19 ~~appropriation by the Legislature, to develop housing through the~~
20 ~~Multifamily Housing Program (Chapter 6.7 (commencing with~~
21 ~~Section 50675) of Part 2 of Division 31 of the Health and Safety~~
22 ~~Code) and the Predevelopment Loan Program (Chapter 3.5~~
23 ~~(commencing with Section 50530) of Part 2 of Division 31 of the~~
24 ~~Health and Safety Code) for individuals with developmental~~
25 ~~disabilities.~~